

# 07/08 and 08/09 State Fiscal Year Finding Bureau of State Audits Audit Finding

Finding Number	Federal Program	Category of Finding	Status	Expected Correction
2008-5-6 2009-5-8	93.568	<u>Eligibility</u> - CSD contracts with local agencies to make eligibility determinations and to provide assistance under LIHEAP to eligible participants residing in their service areas. However, local agencies did not always maintain sufficient documentation such as applicants' monthly income or citizenship status to substantiate their eligibility determinations.	Corrected	n/a
2008-7-12 2009-7-13	93.568	<u>Earmarking</u> - CSD lacks evidence of a review and approval process to ensure that its subgrantees do not exceed earmarks.	<u>Partially Corrected</u> : CSD will phase-in an enhancement to an application system (i.e., Expenditure Activity Reporting System) that will automatically monitor, track and report on the level of earmark usage per program, contract and program year.	2011
2008-12-13 2009-12-19	93.568	<u>Reporting</u> - CSD lacks adequate internal controls (formal policies and written procedures) to ensure that proper federal reporting requirements are met.	<u>Partially Corrected</u> : CSD has contracted with Cooperative Personnel Services (CPS) to develop Policies and Procedures for the Department. In addition, CPS will train CSD staff to maintain and update policies and procedures.	2011
2008-13-19 2009-14-3	93.568	<u>Subrecipient Monitoring</u> - CSD's contract review and approval process lacks internal controls to ensure the federal awarding agency and all laws and regulations are identified at the time of the award. CSD's audit services unit (ASU) lacks sufficient internal controls to ensure that it receives and follows up on all subgrantee audits timely.	<u>Partially Corrected</u> : In May 2010, CSD entered into a contract with the Department of Finance to assist in meeting its obligation to review single audits within the required six months.	2011
2009-9-7	93.568	<u>Suspension and Debarment</u> - CSD did not comply with the suspension and debarment requirements in the Administration for Children and Families grants' terms and conditions. Specifically, although CSD includes language in its contracts with subrecipients requiring them to certify that they are not suspended or debarred, CSD did not consult the federal Excluded Parties List System (EPLS) to ensure that the subrecipients were eligible for funding before it disbursed funds to them. CSD indicated that it is developing a methodology to routinely check the subrecipients against the EPLS, which it plans to have in place before June 30, 2010.	Corrected	n/a

## September 2009 Department of Health & Human Services Compliance Review

Issue	Category of Issue	Status	Expected Correction
1	<u>Administrative Costs</u> - Definition of administrative costs does not include other costs that are intrinsically administrative such as intake.	Corrected	n/a
2	<u>Income</u> - The State is to clarify whether Food Stamps are excluded as countable income in determining LIHEAP eligibility, except for the purpose of deterring categorical eligibility.	Corrected	n/a
3	<u>Status of High-Risk Agency</u> - Requested that the State provide an update of designated high-risk agencies.	Corrected	n/a
4	<u>Eligibility</u> - Concerned with subgrantee prioritization policy that restricts benefits to some clients every other year.	Corrected	n/a
5	<u>Audit Findings</u> - Requested a status of audit findings.	Corrected	n/a